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In re the Matter of: ) Case No.: 07-009  
)  
State of New Hampshire Banking ) Order To Show Cause  
)  
Department, )  
)  
Petitioner, )  
)  
and )  
)  
Moneygram International, )  
)  
Respondent )  
)

This Order commences an adjudicative proceeding under the provisions of  
RSA 541A:31, RSA 399-G, and BAN 204.03.

Pursuant to RSA 399-G:18, the Commissioner of the New Hampshire Banking Department (hereinafter "the Department") may issue an Order to Show Cause why a license should not be revoked, suspended, or penalties imposed or both. RSA 399-G:18 states that the Department may issue such Order when a licensee engages in any practice which violates the Chapter. RSA 399-G:21 states the Commissioner may impose penalties of up to \$2,500 per violation of the chapter.

Pursuant to RSA 383:10-d the Commissioner shall investigate conduct that is or may be an unfair or deceptive act or practice under RSA 358-A and exempt under RSA 358-A:3, I or that may violate any of the provisions of Titles XXXV and XXXVI and administrative rules adopted thereunder. The commissioner may hold hearings relative to such conduct and may order restitution for a person

1 or persons adversely affected by such conduct. The Commissioner may utilize  
2 all remedies available under the Act.

3 **NOTICE OF RIGHT TO REQUEST A HEARING**

4 The above named respondent has the right to request a hearing on this  
5 Order to Show Cause, as well as the right to be represented by counsel. Any  
6 such request for a hearing shall be in writing, and signed by the respondent  
7 or by the duly authorized agent of the above named respondent, and shall be  
8 delivered either by hand or certified mail, return receipt request, to the  
9 Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH  
03301.

10 If respondent fails to request a hearing or respond to the show cause  
11 order within 30 calendar days of receipt of this order, respondent shall be  
12 deemed in default, and the penalties requested will be imposed.

13 **STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

14 The Staff Petition dated January 9, 2007 (a copy of which is attached  
15 hereto) are incorporated by reference hereto.

16 **ORDER**

17 WHEREAS, finding it necessary and appropriate and in the public  
18 interest, and consistent with the intent and purposes of the New Hampshire  
19 banking laws, and

20 WHEREAS, finding that the allegations contained in the Staff Petition,  
21 if proved true and correct, form the legal basis of the relief requested,

22 It is hereby ORDERED, that:

- 23 1. The Respondent shall show cause why penalties for their  
24 activity prior to licensure should not be imposed; and  
25 2. Failure to request a hearing within 30 days of the date of  
receipt of this Order shall result in a default judgment being

1 rendered and administrative penalties being imposed upon the  
2 defaulting Respondent.

3 SIGNED,

4  
5 Dated: January 12, 2007

6 /S/  
7 PETER C. HILDRETH  
8 BANK COMMISSIONER  
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In re the Matter of: ) Case No.: 07-009  
)  
State of New Hampshire Banking ) Staff Petition  
)  
Department, )  
)  
Petitioner, )  
) January 9, 2007  
and )  
)  
Moneygram International, )  
)  
Respondent )  
)  
)  
)

1. The staff of the Banking Department, State of New Hampshire (hereinafter referred to as the "Department") alleges the following facts:

1. Respondent is a money transmitter business within the definition of RSA 399-G:1.
2. Respondent has a principal place of business of 1550 Utica Avenue South, Suite 10, Minneapolis, MN 55416 and has over 200 authorized delegates in the state of New Hampshire.
3. Respondent was subject to licensure pursuant to RSA 399-G which was signed into law on June 19, 2006 and made effective on August 18, 2006.
4. Respondent submitted their license application on August 18, 2006.
5. At that time the license had numerous deficiencies.
6. The application instructions at number 7 called for the submission of a list of names and Tax ID numbers of applicable "owners, directors,

1 members, partners, trustees, and beneficiaries provided on Schedules A&  
2 B of this form." See exhibit 1.

3 7. Schedule A further requires the submission of information on "each  
4 corporate officer, director, executive officer, senior manager..."

5 8. Despite this clear language Moneygram International communicated to the  
6 Department it was not required to submit any Schedule A's to the  
7 Department.

8 9. As a result of Respondent's dilatory tactics the license was not ready  
9 for issuance until December 15, 2006.

10 10. Respondent admitted that between August 18, 2006 and November 1, 2006  
11 they engaged in over 130,000 transactions with New Hampshire consumers.

12 11. Upon information and belief Respondent engaged in additional  
13 transactions between November 1, 2006 and their license ready date of  
14 December 15, 2006.

15 II. The staff of the Banking Department, State of New Hampshire alleges the  
16 following issues of law:

17 1. The Banking Department ("Department"), has jurisdiction over the  
18 licensing and regulation of persons engaged in Money Transmission  
19 business pursuant to NH RSA 399-G:2.

20 2. RSA 399-G:21 IV provides that any person who, either knowingly or  
21 negligently, violates any provision of RSA 399-G, may upon hearing, and  
22 in addition to any other penalty provided for by law, be subject to  
23 suspension, revocation, or denial of any registration or license, or an  
24 administrative fine not to exceed \$2,500, or both. Each of the acts  
25 specified shall constitute a separate violation, and such  
administrative action or fine may be imposed in addition to any  
criminal penalties or civil liabilities imposed by New Hampshire

1 banking laws. Respondent is subject to revocation and/or  
2 administrative fines for violations of RSA 399-G.

3 **RELIEF REQUESTED**

4 The staff of the Banking Department requests the Commissioner take the  
5 following action:

- 6 1. Find as fact the allegations contained in section I of the Statement of  
7 Allegations of this petition.
- 8 2. Make conclusions of law relative to the allegations contained in section  
9 II of the Statement of Allegations of this petition.
- 10 3. Assess fines and administrative penalties in accordance RSA 397-A:21, for  
11 violations of the New Hampshire Banking Laws, in the number and amount  
12 equal to the violations set forth in section I of the Statement of  
13 Allegations of this petition. Respondent is subject to an administrative  
14 penalty of \$2,500 for each violation of the Chapter.
- 15 4. Take such other administrative and legal actions as are necessary for  
16 enforcement of the New Hampshire Banking laws, the protection of New  
17 Hampshire citizens, and to provide other equitable relief.

18 **RIGHT TO AMEND**

19 The Department reserves the right to amend this Petition for Relief and  
20 to request that the Banking Department Commissioner take additional  
21 administrative action. Nothing herein shall preclude the Department from  
22 bringing additional enforcement action under RSA 397-A or the regulations  
23 thereunder.

24 Respectfully submitted by:

25 /s/  
James Shepard  
Staff Attorney

January 9, 2007  
Date